



Virginia
Regulatory
Town Hall

Proposed Regulation Agency Background Document

Agency Name:	Virginia Department of Social Services
VAC Chapter Number:	22 VAC 40-901-10 et seq.
Regulation Title:	Community Services Block Grant Program
Action Title:	Replace Old CSBG Regulations
Date:	April 20, 2000

This information is required pursuant to the Administrative Process Act (§ 9-6.14:9.1 *et seq.* of the *Code of Virginia*), Executive Order Twenty-Five (98), Executive Order Fifty-Eight (99), and the *Virginia Register Form, Style and Procedure Manual*. Please refer to these sources for more information and other materials required to be submitted in the regulatory review package.

Summary

Please provide a brief summary of the proposed new regulation, proposed amendments to an existing regulation, or the regulation proposed to be repealed. There is no need to state each provision or amendment or restate the purpose and intent of the regulation; instead give a summary of the regulatory action and alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

This regulation will replace old program regulations that are being repealed. The repeal is a separate regulatory package. As required by statute, these regulations address the funding formula and requirement for a local match.

Basis

Please identify the state and/or federal source of legal authority to promulgate the regulation. The discussion of this statutory authority should: 1) describe its scope and the extent to which it is mandatory or discretionary; and 2) include a brief statement relating the content of the statutory authority to the specific regulation. In addition, where applicable, please describe the extent to which proposed changes exceed federal minimum requirements. Full citations of legal authority and, if available, web site addresses for locating the text of the cited authority must be provided. Please state that the Office of the Attorney General has certified that the agency has the statutory authority to promulgate the proposed regulation and that it comports with applicable state and/or federal law.

Chapter 39,§2.1-587 et seq. Code of Virginia gives broad authority to promulgate rules and regulations for administering the Community Services Block Grant Program. Regulations are mandated in specific instances including the requirement for matching funds and the formula for the distribution of funds.

Purpose

Please provide a statement explaining the need for the new or amended regulation. This statement must include the rationale or justification of the proposed regulatory action and detail the specific reasons it is essential to protect the health, safety or welfare of citizens. A statement of a general nature is not acceptable, particular rationales must be explicitly discussed. Please include a discussion of the goals of the proposal and the problems the proposal is intended to solve.

These regulations are intended to meet the minimum requirements mandated by §§ 2.1-589 and 2.1-598 of the code of Virginia. The regulation requiring a match for the CSBG funds makes the local community action agencies demonstrate that they have the commitment of the local government and the community in the area in which they provide services. It also increases the funding available to provide services. The regulation also contains details of the formula used to disburse the CSBG funds. The formula provides an equitable distribution of funds among the community action agencies. The funding formula is primarily based on the number of low-income individuals within each agency's service area. This ensures that CSBG funds are distributed in a way that best meets the needs of Virginia's low-income children and families.

Substance

Please identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. Please note that a more detailed discussion is required under the statement providing detail of the regulatory action's changes.

These regulations will replace those promulgated in 1982 when funding for community action agencies was changed from direct funding from the federal agency to a block grant administered by the State. The new regulations will include the minimum required by state statute. The regulations reflect current practice and will not result in any change in the Community Services Block Grant Program. The program operates in compliance with current state and federal law and does not implement any regulatory requirements that are in conflict with those laws.

The original regulations were intended to provide guidance in the transition from federal to state administration and contained information that is obsolete and/or in conflict with the Community Services Block Grant Act as it stands today. The 1982 regulations included directions to the agencies on board structure, reporting timetables, contracts, by-laws, fiscal policies, and many other areas. Many of the requirements went beyond what was required under law, and were intrusive. State and federal law, along with the agencies' contracts with the Department of Social Services now cover most of the areas covered by the 1982 regulations.

The new regulation includes only that required by state statute and provides the local agencies the maximum flexibility allowed by state and federal law. The proposed regulation contains a requirement for local community action agencies to provide matching funds. This requirement was also in the regulations being repealed (22 VAC 40-900-110). The second requirement provides detail about the formula for the distribution of funds to the community action agencies. The regulations being repealed provided a timetable for the transition of the agencies to state administered funding, and stated that a formula would be developed and used for funds received after October 1, 1983 (22 VAC-40-900-20). That formula was developed and continues to be incorporated into the Appropriations Act, becoming a part of the state budget.

Issues

Please provide a statement identifying the issues associated with the proposed regulatory action. The term "issues" means: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, please include a sentence to that effect.

The promulgation of this regulation, in combination with the repeal of the existing regulation for the Community Services Block Grant Program, will remove from the Administrative Code outdated and excessive regulations that could prove confusing to individuals researching the Code for information on this program. No changes to the program will be apparent to the public because the program operates in compliance with current state and federal law and disregards any regulation that has been superceded by those laws. The requirements in this proposed regulation are only those mandated by state law.

Fiscal Impact

Please identify the anticipated fiscal impacts and at a minimum include: (a) the projected cost to the state to implement and enforce the proposed regulation, including (i) fund source / fund detail, (ii) budget activity with a cross-reference to program and subprogram, and (iii) a delineation of one-time versus on-going expenditures; (b) the projected cost of the regulation on localities; (c) a description of the individuals, businesses or other entities that are likely to be affected by the regulation; (d) the agency's best estimate of the number of such entities that will be affected; and e) the projected cost of the regulation for affected individuals, businesses, or other entities.

There are no fiscal impacts associated with this regulation. It replaces outdated regulations which are being repealed, and reflects current practice.

Detail of Changes

Please detail any changes, other than strictly editorial changes, that are being proposed. Please detail new substantive provisions, all substantive changes to existing sections, or both where appropriate. This statement should provide a section-by-section description - or cross-walk - of changes implemented by the proposed regulatory action. Where applicable, include citations to the specific sections of an existing regulation being amended and explain the consequences of the proposed changes.

This regulation will replace 22 VAC 40-900-10 et. seq., which is being repealed. Below is a list of sections in the regulation that is being repealed, and comments on each section describing what, if anything, will be included in the new regulation to replace it.

22 VAC 40-900-10 - Definitions. This section is in the new regulation, but only those terms which are used in the new regulation will be included. Excluded in the new regulation are terms like "SDSS", for the Department of Social Services which now goes by VDSS, or, "LPA", a term for a Limited Purpose Agency, something that existed under old federal regulations.

22 VAC 40-900-20 - Transition of Eligible Grantees. This section will not be replaced. It provided for the transition of community action agencies from federal to state funding. That transition was completed over 16 years ago.

22 VAC 40-900-30 - Community action boards, administering boards, and community action statewide boards. This section will not be replaced. It spelled out specific duties and responsibilities of the community action boards. These are now covered in federal and state law and in the board requirements for non-profit organizations generally.

22 VAC 40-900-40 - Insurance - This section will not be replaced. The requirement for a community action agency to have insurance is covered in their state contracts.

22 VAC 40-900-50 - Memberships in professional and special interest organizations. This section will not be replaced. This type of decision belongs within the organization. The organization's contract with the state specifies that funds will be used only for allowable purposes. The community action agencies have federal, state, local, foundation, and private funding. The State does not control the use of funds from other sources as long as their use does not violate federal or state law, or their state contract.

22 VAC 40-900-60 - Contracts and delegate agencies. This section will not be replaced. It is covered in their contracts, and in state and federal law.

22 VAC 40-900-70 - Designation of new local agencies. This section will not be replaced. It is covered in detail in federal law.

22 VAC 40-900-80 - Designated service areas. This section will not be replaced. It is no longer required by federal law.

22 VAC 40-900-90 - Funding formula. This section is included in the new regulations. State law requires that the funding formula be spelled out in regulations.

22 VAC 40-900-100 - Fiscal management. This section will not be replaced. The requirement to provide DSS with copies of their audit is in the agencies' state contracts. As non-profit organizations, there are fiscal requirements that must be complied with as well as the fiscal reporting requirement in federal law for different grants. Since the federal Office of Management and Budget (OMB) circulars cover most issues, state regulations could be redundant and possibly conflicting.

22 VAC 40-900-110 - Matching Contributions. This section is included in the new regulations. State code requires that the Department have regulations requiring matching contributions.

22 VAC 40-900-120 - Property. This section will not be replaced. The issues on purchases and inventories are covered in the state contract.

22 VAC 40-900-130 - Grantee management system. This section will not be replaced. The issues covered by this section are covered by the state contract. Some of the requirements such as conducting a needs assessment, and public input are in federal law as well as the state contract. The forms which are required in this section are outdated and no longer used by the federal government or by the state.

22 VAC 40-900-140 - Equal Opportunity Assurances. This section will not be replaced. Federal law and the State Contract require agencies to sign federal assurances and to have a copy of their policies on file with the state.

22 VAC 40-900-150 - Program reporting requirements. This section will not be replaced. Reporting requirements are spelled out in federal and state law. The forms named in this section are no longer used. The quarterly report filed by the agencies has a format that ensures all necessary information is collected, including outcomes and fiscal information. These forms change as federal requirements change. Listing the required information in regulations would be duplicative and the information would quickly be outdated.

22 VAC 40-900-160 - Fiscal reporting requirements. This section will not be replaced for the same reasons stated immediately above.

Alternatives

Please describe the specific alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action.

Review of the existing regulations (being repealed in a separate package) and federal and state law, revealed that broad authority exists to create regulations, but they are required to address only two issues. The federal law covering administration of the Community Services Block Grant is very specific regarding most areas addressed by these regulations. Some of those areas include board structure, reporting requirements, and allowed uses of funds. The Department feels that through training and technical assistance, the local community action agencies can be

made aware of its provisions. In addition, specific requirements for the agencies are spelled out in their contracts with the State. Based on the regulatory review, processes other than extensive regulations can be used to achieve the same purpose. The regulations promulgated here will be the minimum mandated by state code or required to effectively and efficiently operate the program and protect the health, welfare and safety of citizens.

Public Comment

Please summarize all public comment received during the NOIRA comment period and provide the agency response.

No comments were received during the NOIRA comment period.

Clarity of the Regulation

Please provide a statement indicating that the agency, through examination of the regulation and relevant public comments, has determined that the regulation is clearly written and easily understandable by the individuals and entities affected.

The Department of Social Services has, through examination of the regulation, determined that the regulation is clearly written and easily understandable by the individuals and entities affected. The regulations impact only the Department of Social Services and the local community action agencies and reflect program requirements that everyone is already familiar with.

Periodic Review

Please supply a schedule setting forth when the agency will initiate a review and re-evaluation to determine if the regulation should be continued, amended, or terminated. The specific and measurable regulatory goals should be outlined with this schedule. The review shall take place no later than three years after the proposed regulation is expected to be effective.

In June, 2003, the agency will initiate a review and re-evaluation of the regulation to determine if it should be continued, amended, or terminated, and the specific and measurable goals the proposed regulation is intended to achieve.

Family Impact Statement

Please provide an analysis of the proposed regulatory action that assesses the potential impact on the institution of the family and family stability including the extent to which the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of

responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

The new regulation will not have a direct impact on families. It contains the formula the Department of Social Services uses to disburse the Community Services Block Grant, and State CSBG funds to the agencies. The regulation also contains a requirement that the community action agencies provide a local match for the funds they receive under their contract with the Department.

The indirect benefit to families under the regulation is that CSBG funds are distributed in an equitable manner that allows the agencies to better serve the low-income population in their service areas. The requirement for matching funds forces the agencies to demonstrate that they have the support of the local government and the community. The programs that this grant supports have a very direct effect on families. Community Action was created to address the causes and effects of poverty. The agencies provide a wide array of programs based on community needs, including: job training and placement, Head Start, child care, literacy programs, housing programs, life skills and job readiness programs, and emergency services, among many others.